REEBOK INTERNATIONAL LTD.

v.

ROYAL CORP.

HIGH COURT, SINGAPORE
CHAN SEK KEONG J
[SUIT NO. 1685 OF 1988]
14 OCTOBER 1991

CIVIL PROCEDURE: *Order obtained in relation to certain goods - Discovery - Use of information against same or third parties in other proceedings within or without jurisdiction - Undertaking by solicitors - Plaintiff pursuing actions outside Singapore for infringement of trademark of these goods - Whether Singapore Court has power to allow samples of infringing items to be used in foreign proceedings - Purposes of Anton Piller Order - Primary and secondary purposes - Preservation of evidence of infringing acts which might otherwise be destroyed - Obtaining of information for the purpose of commencing proceedings against third parties - General rule - Exceptions - Exceptional circumstances - Public interest element in full and frank disclosure not as dominant as in general discovery - Different considerations apply whether to be used in civil or criminal proceedings - Power of Court to modify implied undertaking - Penal consequences - Whether injustice will be done - Improper or collateral purpose - Equitable jurisdiction of Court.*

The plaintiffs, R, obtained an Anton Piller Order against the defendants and on execution thereof took custody of 35,832 pairs of shoes bearing the Reebok name in 14 different models.

By a further order of Court, it was ordered that 50 pairs of the models A, C and D and 75 pairs of the B model be selected randomly from the said shoes as samples for preservation until the trial and the balance of the shoes were to be destroyed.

R's current application is for the sending of 10 pairs of each model to Japan, Taiwan and USA where R are currently in pending legal proceedings, for the purpose of using them as evidence in those proceedings and to that end, for R's solicitors to be released from their undertaking to keep safe the said shoes taken into their custody, in so far as the undertaking is inconsistent with the use of the said shoes as evidence.

In Japan and the US, R had commenced proceedings against the defendants and another party for infringement, while in Taiwan, they were involved in a retrial of criminal proceedings against a director and employee of a footwear company for infringement of trademark.

The Court in deciding the issue had to examine para. 7 of the Anton Piller Order which expressly allowed R "to use any affidavit, affirmation, information, articles, materials or documents obtained as a result of this order for the protection of their rights the subject matter of this action whether in Singapore or elsewhere".

Held:

[1] Paragraph 7 of the Anton Piller Order was not intended to allow R to send abroad, without leave of this Court the said shoes or any of them to be used in foreign Courts as evidence of infringement of the trademark *Reebok* by the defendants or any other party. This is because:

(a) firstly, the express undertaking of R's solicitors to keep safe the said shoes without qualification meant that they could not release the shoes into the custody of someone else. This immediately qualified the ambit of para. 7 and

(b) secondly, the other parts of the Anton Piller Order referred to the said shoes specifically as "shoes" and "goods" but not as articles or materials, which are the expressions used in para. 7.

[2] The Anton Piller form of discovery is a different species from general discovery. The primary purpose of the Anton Piller order is to preserve the evidence of infringing acts which may otherwise be destroyed, removed or concealed. The secondary purpose is to obtain information with a view to taking proceedings against third parties involved in the infringing acts. Anton Piller jurisdiction is derived from the principle of a right to discovery of information.

[3] In discovery by means of the Anton Piller order, the public interest in encouraging frank and full disclosure is not as dominant as in general discovery proceedings. In reality, it is largely absent as the defendant is compelled to obey the order of Court or be in contempt of Court.

[4] The Courts have a dispensing power in relation to the implied undertaking to allow R to use information disclosed in the Anton Piller action to be used in foreign civil proceedings. This power, in relation to foreign proceedings between the same parties, whether or not the cause of action is the same or otherwise, cannot be less than its power in relation to other actions between the same parties within the same jurisdiction. This power however has to be exercised in relation to the facts in each case.

[5] Whether or not there is a privilege against self-incrimination in criminal proceedings abroad under Singapore law has yet to be decided. This issue does not arise in this application as no criminal proceedings against the defendants are contemplated abroad by R.

[6] The Court does not wish to lay down the rule that, in the absence of an express undertaking by the discovering party, Anton Piller information may be used by him in criminal proceedings in all foreign jurisdictions against third parties without leave of the Court under whose jurisdiction the information is obtained. The discovering party is subject to the implied undertaking as regards the use of such information against third parties in foreign jurisdictions.

[7] If the Court is wrong on this issue, the discovering party should be made to give an express undertaking so that the Court may retain control over the documents or information. The Anton Piller order is granted in the exercise of the Court's equitable jurisdiction which originated from the need to administer justice based on conscience and fairness.

[8] This Court should have regard to the potential penal consequences that may befall the third party if such information is allowed to be used against him. The nature of the offence and severity of the penal sanctions that may be imposed on him may be out of the proportion to the need to protect the economic interests of the discovering party.

[9] Unless compelled by higher authority, such information cannot be allowed to be used against a third party in criminal proceedings abroad if, for example, the punishment for an offence involving an infringement of intellectual property rights may be imprisonment for life, or worse, or some other form of cruel or unusual punishment.

[10] The question is whether such an order would offend principle or policy. That would include the question as to whether injustice would be done to the defendant if leave is given for samples of the said shoes to be so used. On the facts of this case, there is no prejudice or risk to the defendants in this action should the samples be accidentally lost, destroyed or otherwise irrecoverable. They form a tiny number of the shoes that are available as evidence at the trial of this action. As physical evidence of infringements of

R's trademark abroad, the said shoes are no different from the documentary evidence as evidence in a Court of law. It is not necessary to have recourse to s. 3 of the Evidence Act to treat the said shoes as documents, although they fall within the definition of the expression "documents" therein.

[11] Therefore, applying the accepted principles, R can use 10 pairs of models A, B, C and D as evidence in criminal proceedings in Taiwan provided that there is documentary evidence to show that they concern the said shoes and there is also no objection to similar samples being used in civil proceedings against the alleged manufacturers subject to proof that they concern the said shoes taken into custody as a result of the Anton Piller order in Singapore. In this case however R have not produced satisfactory evidence in regard to both the civil and criminal proceedings in Taiwan.

[12] As regards the civil proceedings against the defendant in Japan, R have not shown any exceptional circumstances which justify the release or modification of the implied undertaking or the express undertaking given by their solicitors.

[13] The undertaking should be preserved and it is desirable that the issue of infringement be decided by the same Court and not different Courts and it was further unjust to the defendants that they are made to defend two other sets of claims based on the same cause of action.

[14] R have also failed to produce similar documentary evidence as regards their action in the USA.

[R's application dismissed except for the criminal proceedings in Taiwan; matter adjourned to allow R to adduce evidence to satisfy Court that the criminal charges against the alleged manufacturers concern the manufacture of the said shoes; costs to the defendants.]

Cases referred to:
Sony Corp. v. Anand [1981] FSR 398 ***(cons)***
Roberts v. Jump Knitwear Ltd. [1981] FSR 527 ***(cit)***
Crest Homes Plc v. Marks [1987] 3 WLR 293 ***(foll)***
Sybron Corp. v. Barclays Bank [1985] 1 Ch 299 ***(cit)***
Harman v. Home Office [1983] 1 AC 280 ***(cit)***
Riddick v. Thames Board Mills [1977] 3 WLR 63 ***(foll)***
Halcon International Inc. v. Shell Transport & Trading Co. [1979] RPC 97 ***(cit)***
Sybron and Sim Leng Chua v. Je Manghardt [1987] 2 MLJ 153 ***(cit)***
Medway v. Doublelock Ltd. [1978] 1 WLR 710 ***(cit)***
The Distillers Co. (Biochemicals) Ltd. v. Times [1975] 1 All ER 41 ***(cit)***
Bibby Bulk Carriers Ltd. v. Cansulex Ltd. [1988] 1 QB 155 ***(dist)***
Norwich Pharmacal Co. v. Customs and Excise Commissioners [1974] AC 133 ***(cit)***
Bayer Ag v. Winter (No. 2) [1986] FRS 357 ***(cons)***

Legislation referred to:
Civil Evidence Act 1968 [UK], s. 14
Evidence Act [Sing], s. 3, Part IV
Treaty of Rome, art. 85

For the plaintiffs - Tan Woon Tiang
For the defendants - Harish Kumar

[**Editor's Note :** The following case was consolidated and heard together: *Reebok International Ltd. v. Rising Sports Pte. Ltd. & 2 Ors. [Suit No. 1388 of 1988]*]

JUDGMENT

Chan Sek Keong J:

This is an application by the plaintiffs (Reebok) against the defendants (Royal) in Suit No. 1685 of 1988 in which Reebok have sued Royal for, *inter alia*, damages for infringement of their registered trademark *Reebok* in having imported into Singapore shoes bearing the said trademark which were not of Reebok's manufacture or origin. Royal have denied that the shoes were counterfeit shoes.

By an order of Court dated 23 August 1988 (the Anton Piller Order), Reebok were given leave to enter a PSA warehouse to, *inter alia*, (a) locate and remove into the custody of Reebok's solicitors shoes bearing the name *Reebok* in accordance with the terms of the order; and (b) use any articles, materials and documents obtained as a result of the Anton Piller Order for the protection of their trademark rights whether in Singapore or elsewhere.

Upon execution of the Anton Piller Order, approximately 35,832 pairs of shoes (the said shoes) bearing the name *Reebok* in 6 containers were taken into the custody of Reebok's solicitors on 23 August 1988, subject to their express undertaking to keep them in safe custody. These shoes, in four different models (A - 8,052 pairs; B - 12,780 pairs; C - 7,500 pairs; and D - 7,500 pairs) were allegedly purchased by Royal from Naka Enterprises Corp. (Naka) of 2383 Lomita Blvd, Suit 106, Lomita, California 90717, USA. The said shoes are now placed in a secured warehouse.

By an order of Court dated 2 July 1991, it was ordered, *inter alia*, that 50 pairs of A, C and D models and 75 pairs of B model be selected randomly from the said shoes as samples for preservation until the trial and the balance of the shoes be destroyed. This order of Court has not been carried into effect at the date of hearing of this application.

Reebok's action against Royal is pending. Reebok's application before me is for the following orders:

(1) that they be at liberty to send 10 pairs of each of the 4 models of the said shoes to each of the countries where Reebok are currently involved in pending legal proceedings, *viz.*, Japan, Taiwan and USA, for the purpose of using them as evidence in those proceedings.

(2) that for that purpose, Reebok's solicitors be released from their undertaking contained in the Anton Piller Order to keep safe the said shoes taken into their custody, insofar as the undertaking is inconsistent with the use of the said shoes as evidence.

Prior to the commencement of Suit No. 1685 of 1988 on 23 August 1988, Reebok had commenced civil proceedings in Japan on 16 March 1988 against Royal and another party for infringement of the same trademark in Japan in connection with the said shoes. It is alleged that dealings by Royal in respect of the said shoes formed part of the Japanese action as the said 6 containers containing the said shoes had arrived in Nagoya during April-May 1988 and had been kept at the Nagoya port free trade zone. Royal's defence in the Japanese action is the same as their defence in this action, that is, the said shoes are not counterfeit. Reebok say that the said shoes are relevant and important evidence in the Japanese proceedings.

In Taiwan, Reebok have been involved in criminal proceedings against a director and an employee of a Taiwanese company, Keyworld Footwear Enterprise Co. Ltd. Both of them were charged and convicted of an offence of having infringed the trademark *Reebook*. On

appeal, the conviction was set aside on two grounds: (a) the lower Court cited the wrong section of the statute to convict the accused; and (b) that part of the charge based on the unauthorised manufacture of the said shoes was not investigated or tried, the appellate Court holding that it should have been investigated and tried with the other charges on the ground that they constituted one offence. A retrial has been ordered and Reebok now desire that samples of the said shoes be produced as evidence at the retrial. However, there is no documentary evidence before me that the retrial is in fact concerned with the criminal charges of unlawful manufacture of the said shoes.

Reebok have also commenced civil proceedings against the same director and employee for damages for infringement of their trade mark in Taiwan arising from the alleged unauthorised manufacture of the said shoes. They also need samples of the said shoes for the same reason. However, the documentary evidence in respect of this action which has been adduced before me is subject to technical objections in that the dates given therein in relation to the seizure of the said goods in Singapore are wrong (probably due to faulty translation of the dates) and also they are not official translations.

In USA, Reebok have commenced two civil actions in California in connection with *Reebok* shoes. The first, No. CV 88-1210 CBM is against American Sales Corp., Naka and others, *inter alia*, in connection with counterfeiting and trademark infringement based on the seizure of a container of *Reebok* athletic shoes in Belgium in August 1987. The second, CV 90-3816 CBM (Tx), is against BLS Sales Inc, Royal and Nakane Corp. d/b/a Cima Sales and Iwai Nakane in connection with the sale of counterfeit Reebok shoes, including the said shoes. Counsel for Reebok has confirmed that this application is made in connection with action No. CV 88-1210 CBM. However, no documentary evidence has been produced to this Court on this action.

The first argument of Counsel for Reebok in support of this application is founded on para. 7 of the Anton Piller Order which expressly allows Reebok "to use any affidavit, affirmation, information, articles, materials or documents obtained as a result of this order for the protection or further protection of their rights the subject matter of this action whether in Singapore or elsewhere." It is argued that the Court has, in principle, allowed Reebok to make use of the said shoes for the purpose of commencing or prosecuting Court proceedings to protect their trademark rights in any foreign country, but that Reebok has to make this application for two reasons: (1) there is a doubt as to whether the order allows the said shoes to be used in the manner applied for, that is, to be tendered as physical evidence; and (2) in any case, Reebok's solicitors need to obtain a discharge from their express undertaking to retain custody of the said shoes.

Counsel for Royal contends that para. 7 of the Anton Piller Order is limited to the protection of Reebok's Singapore trademark rights. I do not accept this argument as it is contrary to the express terms of that paragraph. He had also submitted that para. 7 might be contrary to established principles if Reebok's interpretation is accepted. It is not necessary to decide whether this issue can be re-opened at this stage of the proceedings (Royal having not appealed against this part of the order) as I am satisfied that the first argument of Counsel for Reebok is unsound. Read in the context of the whole order, I am satisfied that para. 7 was not intended to allow Reebok to send abroad, without leave of this Court, the said shoes or any of them to be used in foreign Courts as evidence of infringement of the trademark *Reebok* by Royal or any other party. I have two reasons for coming to this view: firstly, the express undertaking of Reebok's solicitors to keep safe the said shoes without qualification meant that they could not release the shoes into the custody of someone else. This

immediately qualified the ambit of para. 7. Secondly, the other parts of the Anton Piller Order referred to the said shoes specifically as "shoes" and "goods" but not as articles or materials, which are the expressions used in para. 7. Accordingly, I shall approach this application without the weight of para. 7 bearing on me.

The next argument of Reebok's Counsel is that the Court has the power to allow samples of the said shoes to be used in foreign proceedings, both civil and criminal, against Royal as well as third parties to protect the interest of Reebok and that in this case the Court should exercise the power in favour of Reebok. Counsel refers to the following authorities which I shall consider later: *Apple Corp. Ltd. v. Apple Computer Inc* [1991] The Times, April 10; *Sony Corp. v. Anand* [1981] FSR 398; *Roberts v. Jump Knitwear Ltd.* [1981] FSR 527, and *Crest Homes Plc v. Marks* [1987] 3 WLR 293.

Counsel for Royal contends that the Court has no power to allow evidence disclosed in discovery proceedings by a party to be used against that party in civil or criminal proceedings without the jurisdiction. As against third parties, he concedes that the Court has such power provided that they have been involved in the wrongful handling of or dealing with the relevant infringing goods or materials. He relies on *Sony Corp.* Additionally, he contends that, even if the Court has a dispensing power in both cases, Reebok's application fails to satisfy the conditions for the exercise of the power in regard to both Reebok and the third parties.

I shall now try to summarise the current state of the law in England on the use of information obtained in discovery proceedings against the same party and/or third parties in other proceedings within or without the jurisdiction. In this context, two species of discovery proceedings can be distinguished. The first is the general discovery proceeding where the parties are compelled to disclose material documents to each other under the Court's procedural rules. Discovery under a subpoena issued as a result of an order made under the Bankers' Book Evidence Act 1879 (corresponding to part IV of the Evidence Act) appears to fall within this category: see *Sybron Corp. v. Barclays Bank* [1985] 1 Ch 299. The second is the Anton Piller discovery process. They seek to achieve different goals.

The Riddick Principle

The first principle (for convenience, I shall refer to it as "the Riddick principle") is that where a party to litigation has been ordered to give discovery, the other party may not use the information so obtained for a collateral or improper purpose, that is, for any purpose other than the further pursuing of the action in which the discovery is given. In the absence of an express undertaking given to the Court, there is implied an undertaking that the discovering party may not use the information against the other party for any other improper or collateral purpose. The rationale for the undertaking is the encouragement of full and frank disclosure in Court proceedings in the interest of administration of justice. The *Riddick* principle has been applied in cases like *Harman v. Home Office* [1983] 1 AC 280, *Riddick v. Thames Board Mills* [1977] 3 WLR 63, *Halcon International Inc v. Shell Transport & Trading Co.* [1979] RPC 97, *Sybron and Sim Leng Chua v. Je Manghardt* [1987] 2 MLJ 153. In *Manghardt*, this Court held, following *Riddick*, that a defamatory letter disclosed by the defendant in another action before the High Court between the same parties could not be used by the plaintiff to launch a libel action against the defendant.

The *Riddick* principle is not an absolute principle. The Court has a discretion to release or modify the undertaking, whether express or implied. In *Crest Homes*, Lord Oliver of Aylmerton (whose judgment was concurred to by all the other members of the house) said:

> Your Lordships have been referred to a number of reported cases in which application has been made for the use of documents obtained under Anton Piller orders or on general discovery for the purpose of proceedings other than those in which the order was made. Examples were [*Halcon* and *Sybron*]. I do not ... think that it would be helpful to review these authorities for they are no more than examples and they illustrate no general principle beyond this, that the Court will not release or modify the implied undertaking given on discovery save in special circumstances and where the release or modification will not occasion injustice to the person giving discovery.

Crest Homes was concerned with documents discovered under an Anton Piller order and not general discovery. However, the House of Lords treated the two forms of discovery process as being subject to the same implied undertaking. At p. 297 of the judgment, Lord Oliver said that an Anton Piller order operated as an order for discovery in advance of pleadings. Similarly, in *Sybron* it was also held that the *Riddick* principle applied to information obtained from documents produced to the Court under a *subpoena duces tecum*. In all such applications, the burden is on the discovering party to satisfy the Court why the implied undertaking should be released or modified: see Lord Oliver at p. 303E.

What are exceptional circumstances depends on the facts of each case. An overriding public interest would be an exceptional circumstance. Two illustrations of public interest considerations which failed to override the public interest in encouraging full disclosure are (1) *Medway v. Doublelock Ltd.* [1978] 1 WLR 710 [P in an application for security for costs against D was not allowed to use evidence disclosed by D to his wife in matrimonial proceedings], and (2) *The Distillers Co. (Biochemicals) Ltd. v. Times* [1975] 1 All ER 41 [public interest in publishing thalidomide story not sufficient]. In *Manghardt*, I adopted the approach of balancing the public interest in the better administration of justice against the private interest of the applicant in protecting his private rights and was of the view that it would be an extremely rare occasion that a private interest could outweigh the public interest. An illustration where another public interest consideration prevailed is *Crest Homes* [second Anton Piller order ferreted out evidence of breach of terms of first Anton Piller order on different copyright work, such evidence admissible in contempt proceedings arising from breach]. The House of Lords also held that use of the information for the purpose of the contempt action against the defendant was not a collateral purpose in terms of the implied undertaking. Other relevant considerations, but not material to this application, are considered in *Bibby Bulk Carriers Ltd. v. Cansulex Ltd.* [1988] 1 QB 155.

The Anton Piller Order

The Anton Piller form of discovery is a different species from general discovery. The primary purpose of the Anton Piller order is to preserve the evidence of infringing acts which may otherwise be destroyed, removed or concealed. The secondary purpose is to obtain information with a view to taking proceedings against third parties involved in the infringing acts. Anton Piller jurisdiction is derived from the principle of a **right** to discovery of information which was revived by the decision of the house of Lords in *Norwich Pharmacal Co. v. Customs & Excise Commissioners* [1974] AC 133. It was enforceable by the old Chancery bill for discovery, the purpose of which was to enable A to obtain information from B to pursue his remedies against C; see Browne-Wilkinson J in *Sony Corporation*, at p. 402.

In discovery by means of the Anton Piller order, the public interest in encouraging frank and full disclosure is not as dominant as in general discovery proceedings. In reality, it is largely absent as the defendant is compelled to obey the order of Court or be in contempt

of Court. In *Crest Homes*, at pp. 301-302, Lord Oliver addressed Counsel's concern with a relaxation of the implied undertaking upon the performance of the obligation to make full and frank disclosure in these words:

> In the first place, that obligation can be of little relevance in relation to the seizure of documents and materials under an Anton Piller order, the whole purpose of which is to gain possession of material evidence without giving the defendant the opportunity of considering whether or not he shall make any disclosure at all. Indeed the justification for the application is the likelihood that, short of immediate and unheralded intervention, relevant material is likely to be spirited away or destroyed. Secondly, so far as concerns free and frank disclosure under the compulsion of that part of the order which requires the defendant to swear an affidavit, the point may have some general validity but in a case where, if Crest are right, the absence of free and frank disclosure on a previous occasion is manifest, an appeal to it has a somewhat hollow ring.

However, in spite of those observations and the compulsory nature of this form of discovery, Lord Oliver treated the two forms of discovery as being subject to the *Riddick* principle. If, of course the rationale of the *Riddick* principle is to encourage candid and full discovery, then a distinction can be made between the Anton Piller form of compulsory disclosure and the ordinary form of general discovery where the parties have the opportunity not to make full discovery. The need to protect the integrity of the implied undertaking is less under the Anton Piller form of discovery. But this difference is not, in itself, a strong factor on which the Court will exercise release or modify the implied undertaking.

Foreign Proceedings - Against Same Defendant

1. *Civil Proceedings*

In this action, the said shoes themselves are the very subject matter of the proceedings before the Court. Reebok's application is for leave to use part of the subject matter of the proceedings as evidence in some other proceedings against Royal not in Singapore but in Japan, Taiwan and USA. The question of principle before me is whether this Court has such a dispensing power, and if so, in what circumstances will the Court exercise it.

Counsel for Royal makes the following submission: first, he contends that in principle the Court has no jurisdiction (in the sense it cannot make the order according to established principles) to grant Reebok's application for the said purpose. He says that no Court has made such an order: see Counsel's reservation of this argument before a higher Court in *Bayer Ag v. Winter (No. 2)* [1986] FRS 357. Secondly, he contends that as a matter of discretion the Court should not grant this application on the following grounds: (a) there are no special circumstances within the *Crest Homes* principle to justify the release or modification of the implied undertaking, the integrity of which should be preserved whenever possible; (b) there is a multiplicity of actions on the same subject matter, as Reebok's proceedings against Royal in Japan and USA are founded on Royal's dealings with the said shoes, which may lead to different Courts arriving at different decisions; and (c) there is injustice to Royal by reason of the multiplicity of proceedings.

Counsel for Reebok contends that as a matter of principle the Court has the power to grant the application. He cites in support *Apple Corp. v. Apple Computer* [1991] Times April 10 and *Bayer Ag* (No. 2) and *Crest Homes*. On the question of the exercise of discretion, he says the discretion should be exercised in Reebok's favour for the following reasons: (1) no prejudice will be caused to Royal in this action or to the administration of justice in Singapore, as the application affects 40 X 3 pairs of shoes, out of 35,832 pairs now in custody; (2) as the Court has already granted an order for the destruction of the majority of the said shoes,

it is not in the interest of the administration of justice if these shoes which are of no use to anyone should be prevented by the Court from being tendered as evidence in foreign proceedings; (3) the only real prejudice to Royal is that Reebok may succeed against Royal in these jurisdictions.

In *Bayer (No. 2)*, Hoffman J allowed, on an *ex parte* application, evidence obtained under an Anton Piller order in English proceedings to be used by Bayer against Winter in Switzerland (for the primary purpose of attaching any funds held in a Swiss bank account by Winter), and Austria (for the primary purpose of attaching any funds held there by any defendants and to assert claims against Austrian defendants identified by the Anton Piller documents). In the *inter partes* hearing to discharge the order, Counsel for Winter argued that there was no case in which the Court had permitted the use of such information to start actions abroad based on the same cause of action against persons already parties to the proceedings in England. Hoffman J said, at p. 362:

> I am not troubled by the lack of precedent if the order would not offend against principle or policy and I do not think that it does. In my earlier reasons I acknowledged the undesirability of encouraging a multiplicity of suits in different jurisdictions. But I drew a distinction between proceedings taken for the purpose of obtaining protective measures to preserve assets and the litigation of the substantive merits of the dispute. The plaintiff says that it has no wish to litigate the merits in Austria or Switzerland and it is willing to undertake, once the protective measures are in place, to apply to the Swiss and Austrian Courts to stay the proceedings pending the decision of the English Court on liability.

Hoffman J was of the view that the application in question was not objectionable in principle or on policy. *Halcon* was cited as an authority that the Courts would not allow Anton Piller documents to be used abroad against the same defendant, but Hoffman J distinguished *Halcon* as a case where the Dutch proceedings and the English proceedings, although involving the same issues, were independent of each other. In the case before him, Hoffman J held that the foreign proceedings were ancillary to the English action in the sense of being in aid of the enforcement of any judgment that might be obtained in that action. In other words, it was not for an improper or collateral purpose.

In *Bayer (No. 2)*, there was an earlier application in the same action before Whitford J who, in refusing leave in general terms to use the Anton Piller information and documents for the purpose of commencing or prosecuting civil proceedings against any of the defendants or any other person which were "proceedings connected with the sale of counterfeit Baygon" (the subject matter of the action), said, at p. 359:

> I do not say that when a proceeding has in fact been instituted in some foreign jurisdiction it might not be appropriate at some proper stage for an application to be made, if it were necessary to use this material in that foreign proceeding ...

In the later application, Hoffman J referred to this statement but did not dissent from it. He gave leave in specific terms, confining the use of the information to the action insofar as it related to the discovery of the assets of the defendants in Switzerland and Austria in aid of the *Mareva* injunction obtained by Bayer. He did not permit Bayer to use the Anton Piller information for the purpose of litigation on the substantive merits. One of the considerations referred to by him was that "In general it is desirable that the issues between the parties should not simultaneously be litigated (on the merits) in more than one jurisdiction."

In *Apple Corp.*, the 1st plaintiff and the 1st defendant had concluded an agreement on 24 November 1981 whereby they agreed to mutual "no challenge" and "field of use" restrictions in relation to the registration and use of certain trademarks. The plaintiffs sued

to enforce the agreement, and one of the issues was whether the agreement infringed the provisions of Article 85 of the Treaty of Rome. There were parallel proceedings between the parties in relation to Article 85 issue before the European Commission, and an oral hearing had been fixed before the Commission on 16 April 1991. The plaintiffs sought liberty to disclose to the European Commission in those proceedings certain documents which had been read to or by the Court or referred to, in the proceedings while *in camera.*

A number of issues were raised in that case. The issue that is relevant to this case was whether the Court should allow the plaintiffs to use the information disclosed in the English action in the proceedings between the same parties before the European Commission. Ferris J held that the circumstances, that is, the European Commission and the Court having to consider the same issue and to apply the same criteria, and the desirability of each tribunal having the same materials for consideration, constituted "cogent and persuasive reasons" within the meaning of the *Crest Homes* decision.

Counsel for Royal submits that *Apple Corp.* is a special case as it involved the Treaty of Rome to which the United Kingdom is a party. He submits that the same consideration does not apply to Courts in Japan and USA deciding the same issue which is now before this Court. I agree. *Apple Corp.* is an exceptional case in that it was decided in the context of the United Kingdom being a signatory to the Treaty of Rome. It was highly desirable that the issue of whether there was a breach of Article 85 should be decided by the European Commission. I would imagine that a decision of the European Commission would be conclusive in the English proceedings but that a decision by the English Court would not have the same effect. The decision in *Apple Corp.* may also be explained on the basis that the use of the said documents before the European Commission was not an improper or collateral purpose. Nevertheless, *Apple Corp.* is an illustration of the Court exercising its power to release the discovering party from its implied undertaking. It should also be noted in *Apple Corp.*, the information was not obtained under an Anton Piller order.

Having regard to the above authorities, I am of the view that this Court has a dispensing power in relation to the implied undertaking. The power, in relation to foreign proceedings between the same parties, whether or not the cause of action is the same or otherwise, cannot be less than its power in relation to other actions between the same parties within the same jurisdiction. How it is to be exercised depends on the circumstances of each case in accordance with the general principle set out in *Crest Homes.*

2. *Criminal Proceedings*

In England, the legal position as to whether the privilege against self-incrimination extended to a liability to penal proceedings abroad was not settled. The said privilege, if it existed, has now been abrogated by s. 14 of the Civil Evidence Act 1968. In *Sony Corp.*, an express undertaking was given by the plaintiffs not to use the information in criminal proceedings in Hong Kong: see Hoffman J in *Bayer (No. 2)* at p. 363. Whether or not there is a privilege against self-incrimination in criminal proceedings abroad under Singapore law has yet to be decided. The issue does not arise in this application as no criminal proceedings against Royal are contemplated abroad by Reebok.

Foreign Proceedings - Against 3rd Parties

It is established law that Anton Piller information obtained against a party may be used in civil proceedings against a third party within or outside the jurisdiction. That is one of the purposes of the Anton Piller order.

With respect to criminal proceedings against third parties in foreign Courts, Browne-Wilkinson J said in *Sony Corp.*, at p. 402:

> I do not consider that there is any limitation which prevents information obtained pursuant to an Anton Piller order being used for the purposes of instituting or supporting criminal proceedings against third parties. Accordingly, apart from the terms of the existing order, there would be no need for the leave of the Court to be obtained before information is so used. However, even if I am wrong in that, I would be prepared to give leave in this case permitting the plaintiffs to use the information they have obtained to pursue criminal remedies against persons, other than the defendants, outside the jurisdiction. My reason for that is that there is evidence showing in Hong Kong at least the criminal remedies against infringements of copyright and trademark are, in some instances, thought to be superior to the civil remedies.

I would not wish to lay down the rule that, in the absence of an express undertaking by the discovering party, Anton Piller information may be used by him in criminal proceedings in **all** foreign jurisdictions against third parties without leave of the Court under whose jurisdiction the information is obtained. In my view the discovering party is subject to the implied undertaking as regards the use of such information against third parties in foreign jurisdictions. If I am wrong and he is not, he should be made to give an express undertaking so that the Court may retain control over the documents or information. Browne-Wilkinson J's unqualified statement is made in the context of Hong Kong as the foreign jurisdiction and should be read in that context. Hong Kong is a British colony with a legal system based on the legal system of the United Kingdom. The Anton Piller order is granted in the exercise of the Court's equitable jurisdiction which originated from the need to administer justice based on conscience and fairness. This Court should have regard to the potential penal consequences that may befall the third party if such information is allowed to be used against him. The nature of the offence and severity of the penal sanctions that may be imposed on him may be entirely out of the proportion to the need to protect the economic interests of the discovering party. Unless compelled by higher authority, I am not prepared to allow such information to be used against a third party in criminal proceedings abroad if, for example, the punishment for an offence involving an infringement of intellectual property rights may be imprisonment for life, or worse, or some other form of cruel or unusual punishment.

The above considerations do not apply in this application as Reebok has adduced evidence to show that the maximum punishment for an offence relating to infringement of trademark rights in Taiwan is a maximum fine of NT$150,000 and/or imprisonment or detention for a term not exceeding 5 years.

Nature of Evidence

In addition to issues of principle, an argument has also been raised by Counsel for Royal on the nature of the evidence that is the subject matter of this application. All the authorities which have been cited were concerned with documents or information derived from documents. The objection to such documents or information being used abroad is that the Court may lose exclusive control over such documents or the information, and where such documents contain sensitive information, its abuse may be injurious to the other party: see *Bibby Bulk Carriers* at pp. 166-167 where this risk of prejudice was accepted by Hirst J. In the present case, there is no risk of the type that is present in cases such as *Bibby Bulk Carriers*. The only argument that Counsel for Royal has been able to put forward is that there is no reported decision of any Court allowing physical evidence to be sent out of the jurisdiction.

I do not accept this argument as valid in the circumstances of this case even though the said shoes are the very subject matter of this action. Lack of precedent is not a sufficient ground. As Hoffman J has said in *Bayer (No. 2)*, the question is whether such an order would offend principle or policy. That would include the question as to whether injustice would be done to Royal if leave is given for samples of the said shoes to be so used. I cannot see that it does in relation to third parties or to Royal in this action. There is no prejudice or risk to Royal in this action. There is no prejudice or risk to Royal in this action should the samples be accidentally lost, destroyed or otherwise irrecoverable. They form a tiny number of the shoes that are available as evidence at the trial of this action. As physical evidence of infringements of Reebok's trademark abroad, the said shoes are no different from documentary evidence as evidence in a Court of law. It is not necessary to have recourse to s. 3 of the Evidence Act to treat the said shoes as documents, although they fall within the definition of the expression "documents" therein.

Findings in Present Application

Applying the above principles to the application before me, my findings on this application are as follows:

(a) as regards the criminal proceedings in Taiwan against the alleged manufacturers of the said shoes, there is no objection in principle against Reebok using 10 pairs of models A, B, C and D as evidence in such proceedings provided that there is documentary evidence to show that they concern the said shoes. On the same principle, there is also no objection to similar samples being used in civil proceedings against the alleged manufacturers subject to proof that they concern the said shoes. Reebok have not produced satisfactory evidence of both sets of proceedings;

(b) as regards the civil proceedings against Royal in Japan, Reebok has not shown that there is any exceptional circumstance which justifies the release or modification of the implied undertaking or the express undertaking given by Reebok's solicitors; on the contrary, the evidence before me shows that the undertaking should be preserved. It is desirable that the issue of infringement be decided by the same Court and not different Courts and it is also unjust to Royal that they are made to defend two other sets of claims based on the same cause of action;

(c) as regards action No. CV 88-1210 CBM in California, USA, Reebok has produced no documentary evidence to show the basis of Reebok's claim against Naka. Unless the claim is based on Naka having dealt with or handled the said shoes, Anton Piller evidence cannot be used in such proceedings against Naka.

Accordingly, on the evidence before me, Reebok's application is dismissed except for that part relating to the criminal proceedings in Taiwan on which I shall adjourn to allow Reebok to adduce evidence to satisfy me that the criminal charges against the alleged manufacturers concern the manufacture of the said shoes. I have taken this course of action because Counsel has informed me that the retrial is scheduled to start on 16 October 1991. Otherwise, I would have dismissed the entire application. As this is an interlocutory application, I have given leave to Reebok to make fresh applications in relation to the civil proceedings in Japan, Taiwan and USA where they would have succeeded but for the lack of evidence in this application. The costs of this application will be Royal's in any event.

Also found at [1991] 3 CLJ 3017